process, the structure, and the origins of leadership. In the first chapter of this book, that comparison begins, along with the general argument that a) leadership and management are both very important processes, and the notion that leadership is "good" and management is "bad" is most certainly wrong, b) despite differences that can create conflict, the two processes can work together very successfully, and furthermore, some people can be very effective leaders and managers, and c) for a variety of reasons, many firms today lack sufficient leadership, a deficiency which is increasingly costly, yet often correctable.

In Chapter 2, the case of NCR's ATM business is presented. It is a classic example of effective leadership in business and clearly shows the essential function of leadership: to produce adaptive or useful change. The case illustrates many of the points made in Chapter 1 and implicitly raises a variety of questions which will be explored throughout the remainder of this book.

One centrally important aspect of leadership is direction setting, which people frequently confuse with planning or long-range planning. In Chapter 3, I argue that planning is a managerial process that is not the same as, nor ever a substitute for, the direction-setting aspect of leadership, a process that produces vision and strategies, not plans. Vision is defined, and the NCR situation, plus cases from American Express (its TRS business) and SAS, is used to illustrate what vision looks like in practice and how it is created.

A second core aspect of leadership is alignment: the process of getting people to understand, accept, and line up in the chosen direction. In Chapter 4, I argue that alignment is a complicated communications challenge that is very different from the design problem associated with the managerial process of organizing. How effective leadership deals with this communications problem is described and illustrated with examples from NCR, American Express, and SAS, along with the case of Kodak's copier products business.

In efforts to produce change in complex organizations, sizable barriers of some sort (political, bureaucratic, resource) are always encountered. Overcoming these barriers often takes herculean effort, which only comes from highly energized people. This is why motivation and inspiration are central aspects of leadership. In Chapter 5, we look at basic human nature to see what motivates people, and at a variety of cases (starting with Mary Kay Cosmetics and ending with an episode at Kentucky Fried Chicken) to illustrate how leadership inspires.

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Force for Change

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Force for Change

How Leadership
Differs from Management

JOHN P. KOTTER

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The Origins of Leadership

Preface

This book is the product of a research program in managerial/executive behavior which began with my doctoral dissertation on big city mayors.[1] Other parts of that program have focused on the major contextual factors that shape the way in which managers act,[2] executive careers,[3] both the organizational[4] and the power and influence[5] aspects of managerial work, the history and behavior of a group of successful general managers,[6] and corporate efforts to create a leadership capacity in their management hierarchies.[7]

This latest project began in August 1986 with questions about the nature of leadership and its relationship to management that were raised, but not answered, by my last book. The most fundamental of these questions: Is leadership really different from management and, if so, exactly how? Two phases of data gathering addressed these issues, using the usual array of methods employed throughout this program: interviews, supplemented by questionnaires, archival documents, and, to a lesser degree, observation.

Phase I was a survey designed in the summer of 1986 and conducted between October of that year and June 1987. In that study, nearly 200 senior executives in a very diverse group of twelve well-known and successful corporations either filled out a ten-page questionnaire or were interviewed at length. In either case, they were systematically asked a variety of questions about leadership and management, about people they knew who were very effective at one or both of these processes, about how well the rest of their fellow executives were handling those challenges, and about what their corpora-

tions would need from management in order to prosper over the next five to ten years.

Phase II began in June 1987 and was completed in October 1988. During this effort, a number of incidents were identified in a wide variety of settings which first-hand observers labeled "highly effective leadership in business."[8] Each of these stories was subsequently studied in some detail with the assistance of the corporations involved: American Express, ARCO, ConAgra, Digital Equipment Corporation, Kentucky Fried Chicken, Eastman Kodak, Mary Kay Cosmetics, NCR, Pepsi-Cola, Procter & Gamble, and SAS. The focus in each case study was both on facts, what specifically happened and when, as well as on opinions regarding what the facts tell us about "effective leadership." Data gathering was reasonably extensive: over a thousand pages of documents were collected, 137 interviews were conducted, individuals and their situations were observed systematically for about forty hours. (For a more detailed description of this research, see the Appendix.)

Information from these two studies was analyzed in the second half of 1988 and throughout 1989, a period in which James Leahey worked as my research assistant and was extraordinarily helpful. This analytical aspect of the project began with a search for themes in the responses to two of the questions asked in Phase I. Those inquiries were worded as such: 1) Think of someone you know personally who, in your opinion, has done an excellent job of providing his or her organization with effective management, and tell us, in as much detail as possible, what that person actually has done which constitutes "highly effective management." 2) Now think of someone you know personally who, again in your opinion, has done an excellent job of providing effective leadership to the people and activities around him or her, and tell us, in detail, what the person has done which constitutes "highly effective leadership." After completing a thematic analysis of some 200 lengthy responses to these questions, further analytical work was performed on the remaining questionnaire data. The stories from Phase II were used to test and refine the ideas that emerged from these efforts. Eventually, this manuscript was prepared.

All of this work has led me to conclude that leadership in complex organizations is an increasingly important yet often confusing topic which can be further illuminated by exploring its relationship to management, a very different sort of activity and one that is much better understood today. Such a comparison helps clarify the function, the